STATE OF ILLINOIS ILLINOIS COMMERCE COMMISSION

Ameren Transmission Company of :

Illinois

:

Petition for a Certificate of Public
Convenience and Necessity, pursuant
to Section 8-406.1 of the Illinois Public

Utilities Act, to Construct, Operate and : Docket No. 12-0598

Maintain an New High Voltage Electric
Service Line and Related Facilities in
the Counties of Adams, Brown, Cass,
Champaign, Christian, Clark, Coles,

Edgar, Fulton, Macon, Montgomery, : Morgan, Moultrie, Pike, Sangamon, :

Schuyler, Scott and Shelby, Illinois. :

BRIEF ON EXCEPTIONS OF THE STAFF OF THE ILLINOIS COMMERCE COMMISSION

MATTHEW L. HARVEY
JAMES V. OLIVERO
KELLY A. ARMSTRONG
Office of General Counsel
Illinois Commerce Commission
160 North LaSalle Street, Suite C-800
Chiange II. 60601

Chicago, IL 60601 Phone: (312) 793-2877 Fax: (312) 793-1556 mharvey@icc.illinois.gov jolivero@icc.illinois.gov karmstrong@icc.illinois.gov

Counsel for the Staff of the Illinois Commerce Commission

July 18, 2013

Table of Contents

| Exception No. 1 - The Proposed Order Incorrectly Determines that the Stipulated Route for the Mississippi River to Quincy Segment is Least-Cost1 |
|--|
| Exception No. 2 - The Proposed Order Incorrectly Fails to Adopt the Least-Cost MCLTF Route, as Recommended by Staff5 |
| Exception No. 3 - The Proposed Order Incorrectly Finds that No Discovery was Conducted Regarding Space Available at the AIC Kansas Substation10 |
| Exception No. 4 - The Proposed Order Incorrectly Finds that No Discovery was Conducted Regarding Space Available at the AIC Sidney and Rising Substations |
| Exception No. 5 – The Proposed Order Incorrectly Suggests that ATXI has Proposed expansion of Existing Substations |
| Exception No. 6 – The Proposed Order Incorrectly Suggests that Only ATXI Witness Ronald Dyslin Offered Testimony Regarding the Location of the Proposed Quincy Substation14 |
| Exception No. 7 - The Proposed Order Incorrectly Suggests that Only ATXI Witness Ronald Dyslin Offered Testimony Regarding the Location of the Proposed Meredosia Substation15 |
| Conclusion |

STATE OF ILLINOIS ILLINOIS COMMERCE COMMISSION

Ameren Transmission Company of : Illinois :

.

Docket No. 12-0598

Petition for a Certificate of Public : Convenience and Necessity, pursuant :

to Section 8-406.1 of the Illinois Public
Utilities Act, to Construct, Operate and

Maintain an New High Voltage Electric :
Service Line and Related Facilities in :
the Counties of Adams Brown Cook

the Counties of Adams, Brown, Cass, : Champaign, Christian, Clark, Coles, :

Edgar, Fulton, Macon, Montgomery, : Morgan, Moultrie, Pike, Sangamon, :

Schuyler, Scott and Shelby, Illinois.

BRIEF ON EXCEPTIONS OF THE STAFF OF THE ILLINOIS COMMERCE COMMISSION

The Staff of the Illinois Commerce Commission ("Staff"), by and through its undersigned counsel, pursuant to Section 200.830 of the Illinois Commerce Commission's ("Commission" or "ICC") Rules of Practice (83 III. Adm. Code 200.830), respectfully submits its Brief on Exceptions to the Proposed Order ("PO") issued by the Administrative Law Judges ("ALJs") on July 3, 2013, in the above-captioned matter.

Exception No. 1 - The Proposed Order Incorrectly Determines that the Stipulated Route for the Mississippi River to Quincy Segment is Least-Cost

With respect to the Mississippi River to Quincy segment of the project, the Proposed Order recommends the Commission find as follows:

For this segment of the proposed project, the Commission notes that ATXI recommends its Alternate Route, with a slight modification as the transmission line enters the Southeast Quincy Substation, in accordance with the stipulation it entered into with intervenors NKG and MHC. The Commission notes that all Intervenors interested in this portion of the project support the Stipulated Route, with NKG withdrawing its support for its alternative routes pursuant to the Stipulation.

The Commission also recognizes that only Staff expresses support in testimony for another route – NKG's secondary alternate route (NKG Route 2). However, ATXI, and presumably the other parties supporting the Stipulated Route, believe that NKG Route 2 will likely require the transmission line to cross an existing transmission line at least two times to avoid displacing residences, may pose problems with respect to right-of-way width near Highway 57, and may pose reliability issues because it would be located on adjoining rights-of-way (or, according to NKG, on double-circuit structures). ATXI argues that alleviation of these concerns could increase the cost and difficulty of the route's construction. The Commission does note that the Stipulated Route appears to represent the consensus of the parties with respect to this portion.

The Commission's analysis of the routing criteria discussed in the positions of the parties above appears to indicate that other than the length of line, there is either little difference between the two suggested routes, or the issue in question favors the Stipulated Route.

The Commission recognizes that Staff supports an alternative from the Stipulated Route, appearing to argue that since it will presumably be the cheapest, as it is the shortest proposed route, therefore, it is preferable. The Commission, however, agrees with ATXI that there appears to be other issues with Staff's preferred route which may increase the expected cost of that route. Additionally, the Commission is mindful of the benefits of the parties involved in any particular segment being able to come to an agreement, and it appears to the Commission that some weight should be given to that agreement when weighing the various options presented. It does not appear to the Commission that the Stipulated Route is so unreasonable that little weight should be given to the agreement of the parties.

Having reviewed the evidence of record, and upon consideration of all relevant route selection criteria as described by the parties, the Commission finds that the criteria described above favor the Stipulated Route for the Mississippi River-Quincy portion of the project. Therefore, the Commission finds that the Stipulated Route for the Mississippi River-Quincy portion of the project is the least-cost route when all costs and benefits are taken into account.

PO at 22-23.

The Proposed Order's reasoning, and the factual basis for it, is less than compelling here. The fact that "the parties involved in [this] segment [have been] able to come to an agreement" is of little importance except insofar as it denotes a modicum of community acceptance. In any case, such a stipulation cannot, in the absence of substantial evidence supporting it, be given any weight. See Business and Professional People for the Public Interest v. Commerce Comm'n, 136 III. 2d 192; 555 N.E.2d 693 (1989) (Commission may not approve non-unanimous stipulation if unsupported by substantial evidence). Here, the evidence in support of the stipulation seems, at best, equivocal, and apparently unrelated to anything except alleged defects in Staff's proposal. According to the Proposed Order, Staff's proposal, objectively the shortest and therefore almost certainly having the lowest baseline cost, "may pose" reliability concerns, although similar reliability concerns are apparently not sufficient to prevent approval of other segments, and indeed appears to constitute an argument in favor of other segments. See PO at 128 ("[t]he proposed double circuit and use of existing utility corridor along the Primary Route will also minimize visual impact and mitigate impact on development"). Accordingly, the Proposed Order's reasoning with respect to this segment is simply infirm and must be rejected.

Furthermore, NKG Route 2 exactly coincides with the Stipulated Route in the portion of the route southwest of the proposed S.E. Quincy Substation, which Staff

understands is the only portion that concerns MHC. ATXI Ex. 13.2. In other words, neither NKG nor MHC object to NKG Route 2: NKG proposed the NKG Route 2 and MHC's proposed a variant to ATXI's Alternate Route that exactly matches a portion of the NKG Route 2. No evidence demonstrates that all costs associated with externalities – externalities that may not exist – would come close to matching the \$3 million lower baseline costs associated with NKG Route 2. Therefore, the Commission should order ATXI to use the lower-cost NKG Route 2 for the Mississippi to Quincy segment.

Consistent with this argument, Staff recommends that the Commission adopt the following provisions:

For this segment of the proposed project, the Commission notes that ATXI recommends its Alternate Route, with a slight modification as the transmission line enters the Southeast Quincy Substation, in accordance with the stipulation it entered into with intervenors NKG and MHC. The Commission notes that all Intervenors interested in this portion of the project support the Stipulated Route, with NKG withdrawing its support for its alternative routes pursuant to the Stipulation.

The Commission also recognizes that only Staff expresses support in testimony for another route - NKG's secondary alternate route (NKG Route 2). However, the fact that parties have stipulated to the adoption of a specific route is in and of itself insufficient to support adoption of the route. The Illinois Supreme Court's decision in Business and Professional People for the Public Interest v. Commerce Comm'n, 136 III. 2d 192; 555 N.E.2d 693 (1989), makes it clear that where a stipulation such as this one is non-unanimous, it must be supported by substantial evidence. The stipulation here is not favored by the weight of evidence. It is objectively clear that Staff's proposal, the NKG Route 2, is the shortest and therefore almost certain to have the lowest baseline cost. In contrast, the reliability concerns that ATXI suggests may result from Staff's proposal are hypothetical and remote. The stipulation does suggest a modicum of community acceptance, but it cannot be considered evidence of anything else except the stipulating parties' preference. Given this, we are inclined to give weight to Staff's disinterested opinion, which is based on cost.

However, ATXI, and presumably the other parties supporting the Stipulated Route, believe that NKG Route 2 will likely require the transmission line to cross an existing transmission line at least two times to avoid displacing residences, may pose problems with respect to right-of-way width near Highway 57, and may pose reliability issues because it would be located on adjoining rights-of-way (or, according to NKG, on double-circuit structures). ATXI argues that alleviation of these concerns could increase the cost and difficulty of the route's construction. The Commission does note that the Stipulated Route appears to represent the consensus of the parties with respect to this portion.

The Commission's analysis of the routing criteria discussed in the positions of the parties above appears to indicate that other than the length of line, there is either little difference between the two suggested routes, or the issue in question favors the Stipulated Route.

The Commission recognizes that Staff supports an alternative from the Stipulated Route, appearing to argue that since it will presumably be the cheapest, as it is the shortest proposed route, therefore, it is preferable. The Commission, however, agrees with ATXI that there appears to be other issues with Staff's preferred route which may increase the expected cost of that route. Additionally, the Commission is mindful of the benefits of the parties involved in any particular segment being able to come to an agreement, and it appears to the Commission that some weight should be given to that agreement when weighing the various options presented. It does not appear to the Commission that the Stipulated Route is so unreasonable that little weight should be given to the agreement of the parties.

Having reviewed the evidence of record, and upon consideration of all relevant route selection criteria as described by the parties, the Commission finds that the criteria described above favor the Stipulated Route NKG Route 2 for the Mississippi River-Quincy portion of the project. Therefore, the Commission finds that the Stipulated Route NKG Route 2 for the Mississippi River-Quincy portion of the project is the least-cost route when all costs and benefits are taken into account.

Exception No. 2 - The Proposed Order Incorrectly Fails to Adopt the Least-Cost MCLTF Route, as Recommended by Staff

Perhaps unsurprisingly, the PO does not select all of Staff's recommended routes, since the ALJs and Staff may not agree on the costs associated with externalities for each and every route. Nonetheless, for most route segments, the PO does an excellent job of providing the ALJs' rationale for selecting the routes ultimately identified by the PO.

However, Staff is at a loss to understand the PO's route selection for the Meredosia-Pawnee segment of ATXI's proposed 345 kV line. The table on page 75 showing each of the various route options for this segment and the parties that support each route option is somewhat misleading. The three parties that support ATXI's Stipulated/Alternate Route also do not object to the MSCLTF Route that Staff supports. Specifically, on December 31, 2012, Morgan and Sangamon County Landowners and Tenant Farmers ("MSCLTF") proposed the MSCLTF Route as an alternative to ATXI's Alternate Route; FutureGen plainly stated the MSCLTF route would also not impact its plans, see FutureGen Cross Ex. 1, and the Pearce family proposed an alternative to ATXI's Primary Route that exactly coincides with a portion of the MSCLTF route in the proximity of their residence. ATXI Ex. 13.5 (Rev.) at 4; Pearce Alternative Route Proposal, Ex. A.

The converse is not the case: Staff, MSSCLPG, and the Ruholl Family all oppose the Stipulated Route. In addition, the PO concludes that routing criteria discussed in the positions of the parties indicates that on many issues there is little preference between the Stipulated Route or the MSCLTF Route. PO at 76. Further, the PO assigns excessive weight to ATXI's assertion that "when considering difficulty and cost of construction, or difficulty and cost of operation and maintenance, the Stipulated Route is

preferable to any of the other proposals". <u>Id.</u> Notwithstanding this unsupported statement by ATXI, the evidence clearly demonstrates that the MSCLTF route is not only shorter, but given the extreme differences in estimated baseline costs estimates, (\$144.2 million – 107.4 million = \$36.8 million), the MSCLTF route is the route with by far the lowest overall baseline cost. ATXI Ex. 16.3 (Rev.) at 4. In contrast to the MSCLTF route, which has the lowest baseline cost estimate, the Stipulated Route has by far the <u>highest</u> associated baseline cost estimate of any of the routes considered for this segment of the Project. <u>Id.</u> This fact alone contradicts ATXI's contention that the Stipulated Route is preferable to other routes with respect to difficulty and cost of construction.

Since the PO concludes that there is little difference between the other routing criteria, PO at 76, while the MSCLTF Route would represent an estimated \$36.8 million in savings over the Stipulated Route, the PO's conclusion that the Commission should order ATXI to use the Stipulated Route instead of the MSCLTF Route is insupportable. Based upon Section 8-406.1(f) of the Act, and the discussion of the various route alternatives for this segment, the PO must either select the MSCLTF route, or if the ALJs believe inadequate evidence exists for using the MSCLTF route for this segment, the PO should omit this segment from the certificate, as it correctly does with the Pawnee–Pana-Mt. Zion segments. Staff understands that the Commission must determine which routing represents the overall least cost means to satisfy the project objectives, and the record of evidence clearly shows that the Stipulated Route is not that overall least cost routing. The applicable portion of Section 8-406.1(f) of the Act is copied below:

The Commission shall, after notice and hearing, grant a certificate of public convenience and necessity filed in accordance with the requirements of this Section if, based upon the application filed with the Commission and the evidentiary record, it finds the Project will promote the public convenience and necessity and that all of the following criteria are satisfied:

(1) That the Project is necessary to provide adequate, reliable, and efficient service to the public utility's customers and is the least-cost means of satisfying the service needs of the public utility's customers or that the Project will promote the development of an effectively competitive electricity market that operates efficiently, is equitable to all customers, and is the least cost means of satisfying those objectives.

220 ILCS 5/8-406.1(f) (emphasis added).

In short, Staff believes it to be apparent from the evidentiary record that the Stipulated Route is <u>not</u> the overall least cost means to satisfy the project objectives. Therefore, Staff proposes the following changes to the Commission Conclusion on pages 75 and 76 of the PO.

As indicated, ATXI, MSCLTF, FutureGen and the Pearce Family recommend approval of the Stipulated Route as the best option for the portion of the project between Meredosia and Pawnee. The Commission notes that ATXI and FutureGen suggest that the Stipulated Route would eliminate FutureGen's concerns that the Primary Route might interfere with its proposed operations. The Commission also notes that FutureGen has stated that the MSCLTF Route would also eliminate FutureGen's concerns. In addition, MSCLTF and the Pearce Family do not object to the MSCLTF Route as an alternative to the Stipulated Route: MSCLTF proposed the route, and the Pearce Family proposed an alternative route that coincides exactly with a portion of the MSCLTF Route.

The Commission notes that Staff, the Ruholl Family, and MSSCLPG support the MSCLTF Route. The Commission notes that MSCLTF has withdrawn its support of the route, and ATXI argues that the list of landowners affected by the MSCLTF Route may be incomplete. However, lit further appears to the Commission that little the evidence in support of the MSCLTF Route that has been presented by any of the parties demonstrates that this route represent the least cost route, with as

<u>Route</u>. It is difficult from the evidence presented to fairly judge whether the MSCLTF Route would be thus superior to the Stipulated Route, other routes than due to its the length of the route and baseline cost. The Commission notes that Staff apparently gives great weight to this these factors, and has little to say about the other criteria suggested. The Commission believes that these factors weigh against Commission approveal of the MSCLTF Route.

In the alternative, the Commission notes that the Ruholl Family and MSSCLPG advocate approval of ATXI's Primary Route, while Staff's second preference is for ATXI's Primary Route, as modified by the Pearce Family's alternate route proposal. However, the Commission finds either of these proposed routes to be less preferable than the MSCLTF Route or ATXI's Alternate Route because it could interfere with FutureGen's proposed operations in the area. Additionally, the Commission notes that ATXI suggests that its Stipulated Route would eliminate the concerns that led the Pearce Family to propose its modification to ATXI's Primary Route.

The Commission's analysis of the routing criteria discussed in the positions of the parties indicates that on many issues, such as environmental impact, impacts on historical resources, social and land use impacts or visual impact, there is little preference between the Stipulated Route or the MSCLTF Route. While the Commission recognizes that some parties have indicated a route will impact a historical site, absent clear evidence of the fact, the Commission is inclined to give little weight to that assertion. It is clear from the evidence presented that as to the length of each proposed route; the MSCLTF Route is the shortest of the proposals, and would cost the least to construct. ATXI, however, suggests that when considering difficulty and cost of construction, or difficulty and cost of operation and maintenance; the Stipulated Route is preferable to any of the other proposals. The Commission is concerned however, that ATXI is willing to concede that paralleling a route segment to an existing transmission line is acceptable in some instances, while not preferable in other situations, while failing to adequately identify the differences which cause it to lean one way or the other. Given that the MSCLTF Route is 18.3 miles shorter and approximately \$36.8 million less costly to construct than the Stipulated Route, these aspects of the routing heavily favor the MSCLTF Route. The Commission is also concerned however, that the MSCLTF Route has not been sufficiently developed for consideration in this proceeding.

Having reviewed the evidence of record, and upon consideration of all relevant route selection criteria as described by the parties, the Commission finds that the criteria described above favor the Stipulated MSCLTF Route for the Meredosia-Pawnee portion of the project, over all other proposed routes. Therefore, the Commission finds that the Stipulated MSCLTF Route for the Meredosia-Pawnee portion of the project is the least-cost route when all costs and benefits are taken into account.

Exception No. 3 - The Proposed Order Incorrectly Finds that No Discovery was Conducted Regarding Space Available at the AIC Kansas Substation

The PO appears to misunderstand and mischaracterize the work that ATXI proposes at the Kansas Substation site. This is entirely understandable, since the two ATXI witnesses offering testimony regarding ATXI's plans for the Kansas substation site provided conflicting accounts of ATXI's plans. ATXI witness Dennis Kramer explained that ATXI's 345 kV transmission line would connect to AIC's existing substation at Kansas, ATXI Ex. 2.0 at 21, while ATXI witness Jeffrey Hackman indicated that ATXI's 345 kV transmission line will connect to a new substation that ATXI constructs adjacent to the existing AIC substation at Kansas. ATXI Ex. 3.0 (Rev.) at 16. When Staff requested clarification, Mr. Hackman confirmed that ATXI intended to construct an entire new substation adjacent to AIC's existing substation so that it could tie its new 345 kV line to AIC's existing 345 kV line. ATXI Ex. 12.0 at 22.

Staff determined there was no need for ATXI to construct an entire new substation adjacent to AIC's existing substation simply to tie its proposed 345 kV line to AIC's existing 345 kV line, and recommended that ATXI instead avoid initial and ongoing expenses associated with operating a stand-alone substation by terminating its

proposed 345 kV line at AIC's existing substation, stating: "[a]s an initial matter, it is not logical for ATXI to construct an additional substation site at Kansas." Staff Ex. 1.0(R) at 44. ATXI could terminate its proposed 345 kV line in AIC's existing substation, where it would tie to an existing AIC-owned 345 kV line that extends both north and south from AIC's substation. Staff IB at 32. To clarify Staff's position on this matter, Staff does not object to AIC's expansion of its existing substation to accommodate the additional 345 kV termination. However, Staff objects to ATXI's assertion that ATXI must own, operate, and maintain its own separate substation simply so it can tie its proposed 345 kV facilities to AIC's existing facilities rather than using AIC's existing substation.

The PO expresses frustration that discovery did not resolve this issue, since the ALJs believe the Commission is required to choose between ATXI's position that more space is necessary and Staff's assertion that sufficient space is available now, without an adequate record. PO at 119. Staff is sympathetic to the ALJs' frustration regarding the paucity of the record in that regard. That said, Staff attempted to make a record on this point, propounding discovery seeking information regarding the amount of space available, and bus configurations existing, at various AIC substations, including the Kansas substation. See Staff Ex. 1.0, Att. L (ATXI Response to Staff DR ENG 5.01(e)). ATXI responded by stating that it does not possess the requested information. Id. Accordingly, Staff's conclusion that ATXI does not know the dimensions of the existing AIC substation sites is an entirely reasonable one, based on ATXI's own representations.

Consistent with evidence regarding the Kansas Substation, the following changes should be made to the last two sentences in the paragraph that begins at the bottom of page 116 and continues at the top of page 117.

Staff also questions the logic of expanding the ATXI's proposal to construct a new substation adjacent to AIC's existing Kansas substation. Staff maintains that ATXI could terminate its proposed 345 kV line at the existing substation.

Likewise, the following changes should be made to the last paragraph on page 119 and the first paragraph on page 120.

With regard to the expansion of the ATXI's proposed construction of a new substation adjacent to AIC's existing Kansas substation, the Commission understands the issue to be simply whether ATXI requires a new substation to connect its space exists in the existing substation to accommodate new equipment to AIC's existing transmission system. This question should be resolved through discovery because whether sufficient space exists should be easily discernible. Why this has not occurred here is uncertain. Instead, the Commission is faced with ATXI's position that more space is necessary and Staff's assertion that sufficient space is available now. Perhaps had more time been available to pursue this issue in discovery and otherwise consider such details, this issue could have been avoided. Absent a more persuasive showing by ATXI in this record that it is unable to connect its proposed 345 kV transmission line to AIC's facilities at the existing substation west of Kansas-lacks sufficient space, the Commission concludes that it will not grant ATXI approval to expand the existing construct an additional substation.

Upon considering the criteria discussed by the parties, the Commission concludes that Stop Coalition's Route 2, excluding the <u>new</u> Kansas substation—<u>expansion</u>, imposes the least cost on those affected. ATXI witness Hackman acknowledges that Stop Coalition's Route 2 does not pose any reliability problems from the perspective of parallel lines. Moreover, the parallel lines along Stop Coalition's Route 2 would be no different from 19% of the route with parallel lines that ATXI seeks to build.

Exception No. 4 - The Proposed Order Incorrectly Finds that No Discovery was Conducted Regarding Space Available at the AIC Sidney and Rising Substations

The PO discusses the disagreement between Staff and ATXI regarding whether ATXI's proposed new substations at Sidney and Rising are necessary. PO at 128. Much of the discussion from Staff's Exception No. 2 exception applies here as well. Specifically, Staff understands the ALJs' frustration regarding information absent from the record. Again, however, Staff notes that it propounded discovery seeking this information, and ATXI asserted that it did not have it. Staff Ex. 1.0, Att. L (ATXI Response to Staff DR ENG 5.01(f)-(g)). Consistent with this argument, the following changes should be made to the last complete paragraph on page 128.

With regard to the construction of new substations adjacent to the existing substations in Sidney and Rising, the Commission understands the issue to be simply whether <u>ATXI requires new and separate substations</u>space exists in the existing substations to accommodate new equipment. This question should be resolved through discovery because whether sufficient space exists should be easily discernible. Why this has not occurred here is uncertain. Instead, the Commission is faced with ATXI's claims that it needs more space than is present in the existing substations and Staff's argument that sufficient space is available now. Perhaps had more time been available to pursue this issue in discovery and otherwise consider such details, this issue could have been avoided. Absent a more persuasive showing by ATXI in this record that the existing substations in Sidney and Rising lack sufficient space, the Commission concludes that it will not grant ATXI approval to construct new substations in these locales.

Exception No. 5 – The Proposed Order Incorrectly Suggests that ATXI has Proposed expansion of Existing Substations

Directly relating to Staff's Exception Nos. 3 and 4, Staff points out that ATXI has not proposed expanding any of AIC's substations, but instead proposes new

substations. Consistent with this argument, Staff proposes the following minor clarification to Finding (7) on page 132 of the PO.

(7) the proposed new or expanded substations at Ipava, Pana, Mt. Zion, Kansas, Sidney, and Rising should not be approved in this proceeding;

Exception No. 6 – The Proposed Order Incorrectly Suggests that Only ATXI Witness Ronald Dyslin Offered Testimony Regarding the Location of the Proposed Quincy Substation

When discussing the location of the proposed Quincy Substation, the PO suggests that only ATXI witness Ronald Dyslin provided testimony about the topic. PO at 23. This is not the case. Staff witness Greg Rockrohr also testified about the location of ATXI's proposed Quincy Substation. Staff Ex. 1.0, at 22-23. Consistent with this argument Staff suggests the following minor addition to page 23 of the PO to reflect the fact that Staff indicated support for ATXI's proposed location for the Quincy Substation:

The Commission notes that the parties in their briefs on the Mississippi River-Meredosia segment of the Illinois Rivers Project did not appear to discuss the issue of the substation in Quincy, Illinois. The Commission also-notes that ATXI witness Dyslin stated in his direct testimony in this proceeding, in part, as follows:

1. ATXI has acquired a new substation site southeast of Quincy, Illinois. The parcel consists of approximately 36 acres and is currently being farmed. This parcel was purchased from a private landowner in a transaction which closed on October 30, 2012. In addition, Ameren Illinois Company ("AIC") owns approximately 7 acres adjacent to the site proposed by ATXI, which ATXI will acquire and incorporate into the new substation footprint; (ATXI Ex. 8.0 at 3)

Staff witness Rockrohr also testified regarding the location ATXI selected for the proposed Quincy substation site, stating it is a logical choice. (Staff Ex. 1.0 at 22-23)

The Commission finds that there appears to be no objection in the record to the location of a new substation southeast of Quincy, Illinois; therefore it will be approved as a part of this proceeding.

Exception No. 7 - The Proposed Order Incorrectly Suggests that Only ATXI Witness Ronald Dyslin Offered Testimony Regarding the Location of the Proposed Meredosia Substation

When discussing the location of the proposed Meredosia Substation, the PO again suggests that only Mr. Dyslin provided testimony about the topic. PO at 40. This is not the case. Mr. Rockrohr also testified about the location of ATXI's proposed Meredosia Substation. Staff Ex. 1.0, at 26-27. Consistent with this argument Staff suggests the following minor addition to page 40 of the PO to reflect the fact that Staff indicated support for ATXI's proposed location for the Meredosia Substation.

The Commission notes that there is little, if any, discussion in the parties' briefs on the issue of the substation at Meredosia, Illinois. The Commission observes that ATXI witness Dyslin stated in his direct testimony in this proceeding, in part, as follows:

3. ATXI has acquired a site representing an expansion of an existing substation, located on and adjacent to the Meredosia generating station property. The parcel consists of approximately 56 acres, approximately 41 acres of which is used for industrial purposes and 15 acres of which is used for agricultural purposes. A portion of the industrial property is the site of the existing substation and its appurtenances. The agricultural land is not being farmed at this time. This parcel was purchased from Ameren Energy Generating Company in a transaction which closed on October 31, 2012; (ATXI Ex. 8.0 at 3)

<u>Staff witness Rockrohr also testified regarding the location that ATXI selected for the proposed Meredosia substation site, stating it is a logical choice. (Staff Ex. 1.0 at 26-27)</u>

Docket No. 12-0598 Staff Brief on Exceptions

The Commission notes that there appears to be no objection in the record to the proposed expansion of the Meredosia substation, therefore the proposed expansion is approved.

Conclusion

The Staff recommends that the Commission grant ATXI a CPCN consistent with the limitations and qualifications expressed by the Staff in its Initial Brief and as reflected in this Brief on Exceptions.

WHEREFORE Staff of the Illinois Commerce Commission respectfully requests that its recommendations be adopted in their entirety consistent with the arguments set forth herein.

Respectfully submitted,

Matthew L. Harvey Kelly A. Armstrong James V. Olivero

Illinois Commerce Commission
Office of General Counsel
160 North LaSalle Street, C-800
Chicago, IL 60601
(312) 793-2877
(217) 785-3808
mharvey@icc.illinois.gov
karmstrong@icc.illinois.gov
jolivero@icc.illinois.gov

July 18, 2013

Docket No. 12-0598 Staff Brief on Exceptions

Counsel for Staff of the Illinois Commerce Commission